Nayak Committee recommendation for SSIs

962. SHRIMATI CHANDRESH KUMARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have been requested scrval times to implement Nayak Committee recommendations for Small Scale Units and a shift towards cash flow-based lending instead of asset-based lending;

(b) if so, the reasons for not implementing the same;

(c) whether their implementation will benefit the smooth functioning of the S.S.I. Units to strengthen the economy of the country; and

(d) if so, the names of S.S.I. Units to be benefited in Himachal Pradesh in case the recommendations are implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANAR-THANAN): (a) and (b) Reserve Bank of India (RBI) has issued guidelines based on Nayak Commitee recommendations to all scheduled commercial banks in 1993. RBI has also been regularly monitoring the implementation of these guidelines by the schdueled commercial banks. With a view to ascertain the field level

implementation of the guidelines issued by RBI, a Study was conducted by RBI in February/March, 1997. As per the study, it was found that out of 3754 cases of working capital loan sanctioned by the selected branches of the Commercial banks, computation of working capital requirement was made as per the RBI guidelines based on Nayak Committee recommendations in 3124 cases (83.2%).

(c) and (d) The implementation of Nayak Committee Recommendations has improved the credit flow to SSI Sector and benefited SSI Units in all parts of the Country including Himachal Pradesh.

Annual losses suffered by PSUs

963. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to Government's estimates the annual losses of PSUs are around Rs. 14,000 crorc which is around three times what the Central Government spend in the critical agriculture sector;

(b) whether the BIFR (Bureau of Industrial Finance and Restructuring) has also identified certain loss making units and recommended winding thereof; and

(c) if so, the decision taken by the Central Government in this regard indicating the capital invested and losses incurred thereon during the last three years PSU-wise the year-wise?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The information is being collected and will be laid on the table of House.

Declining Value of Rupee against World Currencies

964. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether the value of rupee against US dollar and other world currencies like Pound Sterling went on dwindling fast during July and August this year; if so, the lowest level touched in relation to dollar and Pound Sterling;

(b) the factors to which the sharp decline was attributable; and how far it was attributable to stability of Government; and

(c) how this decline was reflected in various other economic indicators such as exports, foreign investments, imports and stock-market trends etc.?

THE MINISTER OF FINANCE. (SHRI YASHWANT SINHA): (a) The exchange rate of the rupee against the US dollar had depreciated by 0.64 per cent in July 1998 and by 0.58 per cent in